

PRESS RELEASE

October 4, 2006

**RE: UNITED STATES v. MICHAEL J. CULLIGAN AND
JOHN P. LAFFERTY**

United States Attorney Terrance P. Flynn, announced today a nine-count Indictment, charging Michael J. Culligan, age 58, of West Seneca, New York, and John P. Lafferty, age 58, of Buffalo, New York, with conspiracy in violation of Title 18, United States Code, Section 371, with loan frauds in violation of Title 18 United States Code, Section 1014, and with mail frauds in violation of Title 18, United States Code, Section 1341. The conspiracy and mail fraud counts in violation of Title 18, United States Code, Section 371 and Title 18, United States Code, Section 1341 and Section 2 each carry a maximum penalty of five years imprisonment, a fine of \$250,000, or both. The loan fraud counts alleging violations of Title 18, United States Code, Section 1014 and Section 2, carry a maximum penalty of 30 years imprisonment, a fine of \$1,000,000.00, or both. It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty. (**Disciplinary Rule 7-107(B)(6)**).

U.S. Attorney Terrance P. Flynn stated that the Indictment charges the defendants with conspiracy to defraud customers of

Mike Culligan Motors, Inc., a used car dealership formerly located on Abbott Road at Stevenson Street in Buffalo, New York, and to defraud financial institutions by materially false and fraudulent pretenses to obtain money and property in connection with used car trade-ins, sales and financing. Defendant Culligan is already charged in a pending Indictment with bank fraud in violation of Title 18, United States Code, Section 1344, which carries a maximum penalty of 30 years imprisonment, a fine of \$1,000,000.00, or both, in connection with allegations of his conduct through Mike Culligan Motors, Inc.

The Indictment was the culmination of an investigation on the part of the Federal Bureau of Investigation, under the direction of Laurie J. Bennett.

The evidence was presented to the Grand Jury by William J. Gillmeister, Assistant United States Attorney, who will handle the trial of the case.